

1 **Add 2 Cal. Code Regs. Section 18530.7 to read**

2 **18530.7 Extensions of Credit**

3 (a) An “extension of credit” for purposes of Chapter 5, Article 3 of this Title means the
4 provision of goods or services for which payment in full is not received. An extension of credit
5 is deemed to begin by the earlier of two dates: (1) 15 days after the date specified on the invoice
6 for payment; or (2) 45 days from the date the goods or services were delivered.

7 (b) “Payment in full” means payment of not less than fair market value for the goods or
8 services provided.

9 (c) An extension of credit for a period of more than {Decision 1}[30/60/90] days is a
10 contribution subject to all of the contribution limitations of Chapter 5, Article 3 of the this Title,
11 except as provided in subdivisions (e) and (f) of this regulation.

12 (d) If a candidate or any committee subject to the contribution limits set forth in
13 Government Code sections 85301, 85302 and 85303 has an extension of credit for more than
14 {Decision 1}[30/60/90] days outstanding with a provider or vendor of goods or services, any
15 additional credit extended to the candidate or the committee from the person is subject to all of
16 the contribution limitations of Chapter 5, Article 3 of this Title.

17 (e) Loans made to a candidate by a commercial lending institution in the lender’s regular
18 course of business on terms available to members of the general public for which the candidate is
19 personally liable are not subject to Chapter 5, Article 3 of this Title including this regulation.

20 (f) If all of the following criteria are satisfied by a provider or vendor of goods or
21 services, it shall (i) be a complete defense for the provider or vendor of the goods or services in
22 any enforcement action initiated by the Commission, (ii) relieve the provider or vendor of the

goods or services of any reporting requirements of this title, and (iii) be evidence of good faith conduct in any subsequent civil, criminal or administrative proceeding:

(1) The credit arrangement was recorded in a written instrument;

(2) It is a primary business of the provider or vendor of goods or services to provide similar goods or services;

(3) The provider or vendor of goods or services provided the goods or services in the ordinary course of business and on the same terms and conditions offered to customers generally;

(4) The provider or vendor of goods or services did not have actual knowledge that the candidate or committee would not be able to pay within the time limit specified in subdivision (a) of this regulation;

(5) The provider or vendor of goods or services made reasonable efforts to collect the full amount of the payment owed within four months of the date specified in subdivision (a) of this regulation;

(6) The provider or vendor of goods or services entered into the agreement with the intent that the candidate or committee would be required to pay within the time limit specified in subdivision (a) of this regulation; and

(7) The provider or vendor of goods or services did not extend any additional credit to the candidate or any committee subject to the contribution limits set forth in Government Code sections 85301, 85302 and 85303 when the candidate or the committee already had an extension of credit for more than {Decision 1}[30/60/90] days outstanding with the same provider of goods or services as provided in subdivision (d) of this regulation.

1 (g) This regulation and subdivision (a) of Government Code section 85307 shall
2 apply only to extensions of credit between a provider or vendor of goods or services and a
3 candidate or any committee subject to the contribution limits set forth in Government Code
4 sections 85301, 85302 and 85303.

5 NOTE: Authority Cited: Section 83112, Government Code.

6 Reference: Sections 82015, 85301, 85302, 85303, and 85307, Government Code.